

# Danny Meyer

## Hospitality Leader

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## **Introduction**

Danny Meyer is the CEO of the Union Square Hospitality Group which includes 10 different restaurants in New York City. He conceived and built these restaurants from a passion for what he calls “a dialogue between what already exists and what could be.” He wanted to take something that already existed and make it new and unexpected – he wanted to provide his guests with a great experience. This was a radical concept in business at the time he started his restaurants. Excellent cuisine always seemed to be paired with “stiff arm’s-length service” He wanted to combine the best elements of fine dining and serve it with open arms or take casual dining and attempt to exceed expectations by employing a caring staff and the finest ingredients.<sup>1</sup>

Danny grew up in a family that loved great food, cooking, get-togethers, travel, and hospitality. His father had a travel business which allowed Danny to spend much of his childhood eating, travelling to near and far places, and sowing the seeds for his passion of food, wine, and his future restaurant and hospitality career.<sup>2</sup> The travel allowed him to spend a lot of time in the trattorias of Italy where he learned that although the menus were all the same, they all distinguished themselves through nuances in the food. But more important to him was that they all possessed a subtle quality: a genuinely welcoming spirit that led to the formation of a community of regulars.<sup>3</sup>

He gained his first restaurant experience in January 1984 as an assistant manager at Pesca restaurant in New York City. He worked there for eight months and then spent the next 100 days in Italy and France studying cooking as a chef’s apprentice. After that he returned home and in 1985, at the age of 27, Danny opened his first restaurant, Union Square Café. This restaurant is considered to be the pioneer of a new breed of American eatery pairing imaginative food and

wine with caring hospitality, comfortable surroundings, and outstanding value.<sup>4</sup> This was the start of his entrepreneurial ventures in the hospitality industry.

### **Danny Meyer: An Entrepreneur**

If by definition an entrepreneur is a person who organizes, operates, and assumes the risk for a business venture<sup>5</sup>, then just looking at the Union Square Café should indicate to you that Danny is an entrepreneur. In 1985 Union Square was not a place you wanted to be. It was known for drugs and was even nicknamed “Needles Park”. There was sure to be a chalk outline of a body on the sidewalk if you came in on the weekend and the underground night club had several shootings. His parents thought he was crazy to open a restaurant there.<sup>6</sup>

However, Danny saw three things that made this an attractive place to him. First, from studying the area, he had a pretty strong sense just from the number of ad firms and publishers that had moved into the neighborhood to escape the high rents of Madison Avenue. Secondly, in his experience in France and Italy the chefs at the restaurants always went to the market first thing in the morning. He found that Union Square had a two-day-a-week greenmarket that he could use for the restaurant. The third thing he saw was that the rents were amazing – he was able to open with a rent of only \$8 per square foot.<sup>7</sup>

He had a vision and he took a risk, even though everyone else said he was crazy. Today, Union Square Café has been ranked either number one or two since 1997 as the favorite New York restaurant by the Zagat survey. It has received three stars from the New York Times, 17 James Beard Foundation Awards, and numerous other awards and high rankings.<sup>8</sup> It has also been credited for sparking the transformation in the neighborhood back in 1985.<sup>9</sup>

This was a huge risk that he took but he now owns one of the best restaurants in New York City. This same entrepreneurial spirit led him to open 9 more restaurants and start the Union Square Hospitality Group.

### **Thinking Out-of-the-Box**

In his book, “Setting the Table”, he wrote, “I feel the entrepreneurial spark when some instinct tells me that a certain dining ‘context’ doesn’t currently exist but should exist.” He then asks himself a series of questions that forces him to examine and challenge the status quo and then to change it. Each of the questions he asks himself begins with five words: “Who ever wrote the rule...?” Who ever wrote the rule that you can’t enjoy a refined dining experience in a rustic tavern? Who ever wrote the rule that you can’t serve slow-smoked pork with a glass of champagne? Who ever wrote the rule that you can’t create a classic burger-and-shake drive-in (referring to his roadside burger stand called Shake Shack) in New York City, where nobody drives?<sup>10</sup>

He uses this in every aspect of his business; from the everyday operation of each restaurant to decisions about a new venture. He doesn’t want to do something just to do it the same way it’s always been done; he wants to make it better or different. Everything he does though is based on hospitality as the foundation of his business philosophy<sup>11</sup>. That is what also makes him a leader in the hospitality industry.

### **Danny Meyer: A Hospitality Leader**

Four of Danny’s five fine dining restaurants are in the Zagat top 20. When Union Square Café fell to number two as favorite restaurant in New York, it was only because one of his other

restaurants, Gramercy Tavern, took the top spot. However, it is not just the food that makes these restaurants so popular – it is the hospitality. That hospitality begins with who Danny Meyer is. Everything he has created is centered on what matters to him – and that begins with his wife and kids. He puts his daughters on the bus at 7:30 every morning and takes his sons to school twice a week. His home is five minutes walking distance from all his restaurants.<sup>12</sup>

He can be seen talking to “guests” (not customers) in all his restaurants and he creates an atmosphere of genuine, unfailing hospitality, which he sees as the secret of his success. But the guests do not come first, they come second. It is his employees that come first. To that end, he has a staff meal before each shift that is called the family meal. He extends that hospitality to the community and makes sure that each restaurant cares deeply about their communities. The restaurants are a means to an end for him, and that is to make something that he has passion for better.<sup>13</sup>

In his book he states, “Virtually nothing else is as important as how one is made to feel in any business transaction. Hospitality exists when you believe the other person is on your side. The converse is just as true. Hospitality is present when something happens *for* you. It is absent when something happens *to* you. Those two simple prepositions – *for* and *to* – express it all.”<sup>14</sup> This focus on hospitality has made him a leader in the hospitality industry. He is hired to speak and teach others about hospitality. He now has new learning business called “Hospitality Quotient” for leaders who want to enrich the employee and customer experience in their business.

Looking at the characteristics of a leader we see so many in Danny Meyer. He brings about change – his view of hospitality towards the employee and guest have been instrumental in the guest experience of today. He has vision – his restaurants, as he stated, are a means to an end.

They were created to improve the community around it. He appeals to the heart by providing genuine hospitality to guests and employees. He has shaped the culture of the American restaurant through his hospitality ideas and he proactively seeks to improve hospitality and the guest experience. He has a passion and excitement for his work by doing ventures that he has a passion for. He breaks the rules to set new direction in the industry. Finally, he leads people and has followers who work for him because of his passion and leadership style.

### **Leadership Style**

In an article Danny wrote for Inc. magazine, he stated that “constant, gentle pressure is his technique for leadership, guidance, and coaching. He will be very specific about what he wants done but realizes that outside forces, including his staff, will conspire to undo that. Every time that happens he will put everything back the way it should be – that’s the constant aspect of it. However, he will do it in a way that does not deny a person’s dignity – that is the gentle aspect. But he has his standards so he will be constantly watching because excellent performance is paramount – that is the pressure.”<sup>15</sup>

Ultimately this technique is not as much about eliminating problems but rather creating a staff that is expert at finding imaginative and lasting solutions to problems that are going to occur. This is an inclusive leadership style that demands dialogue, compromise, and a willingness to share power.

The keys to building this are through coaching and communication. Coaching is correction with dignity, showing people how to get the job done, and truly wanting employees to meet their peak potential. Communication is about context as much as content. Who needs to know what, when they need to know it, and why – and then presenting it in a entirely comprehensible way. Clear,

appropriate, timely communication is the key to applying constant, gentle pressure.<sup>16</sup>

## **Emotional Intelligence**

One way Danny Meyer shows his emotional intelligence is through what he calls “turning over the rocks.” That is to initiate a relationship with guests and find the information that is there when you take the time to look. He is able to recognize and understand other people’s emotions and to manage relationships. One way he does this is when he makes the rounds in the dining rooms of his restaurants. For him it involves his ability to see, hear, and sense what’s going on so that he can connect intelligently with his staff and guests. He doesn’t have a standard approach but rather uses his ability to “read” people.<sup>17</sup> By being able to sense people’s feelings or emotions he is able to meet their needs or solve a problem that may exist that may have otherwise gone unspoken.

Emotional intelligence also involves knowing yourself. An example of this can be seen in his leadership style of constant, gentle pressure, which we have already discussed. He believes that all three must be present in order for it to work effectively. If you are constantly gentle but don’t apply pressure your team will lack the drive and passion for excellence. If you exert gentle pressure but not constantly your staff and guest will receive a mixed message. If you exert constant pressure without being gentle you will burn out your employees or cause them to lose their graciousness. He realizes that he has natural instincts towards constant and gentle but not towards the pressure part of it. Being able to recognize that has allowed him to focus on developing ease at applying pressure.<sup>18</sup>

He also looks for this same emotional intelligence in his employees. He tries to hire what he calls the 51 percenters – 100 percent employees whose skills are divided 51-49 between emotional

hospitality and technical skills. He feels that a 51 percenter has five core emotional skills. These are as follows:

1. Optimistic warmth: a genuine kindness, thoughtfulness, and a sense that the glass is always at least half full
2. Intelligence: not just smarts but an insatiable curiosity to learn
3. Work Ethic: a natural tendency to do your best at all times
4. Empathy: an awareness of, care for, and connection to how others feel and how their actions make others feel
5. Self-awareness and Integrity: an understanding of what makes you tick and a natural inclination to hold yourself accountable to do what is right with honesty and great judgment.<sup>19</sup>

## **Quality**

Danny opened his first restaurant 25 years ago and in that time has built what some call an empire. In all that time he has never had to close a restaurant and his empire continues to grow. Recently his Eleven Madison Park restaurant earned 4 stars from the New York Times; one of only six restaurants ever to do that. His empire consists of a burger stand, a bbq joint, up to fine dining restaurants. So what makes them all so popular?<sup>20</sup>

At any of his restaurants you will receive the same quality of cooking and quality of service. Danny Meyer says it's all about the people. "If you care about being the best at what you do, it really doesn't matter if you're performing opera or jazz. One may be seen by some as a "higher" art form, but excellence is excellence no matter the stage."<sup>21</sup> In other words, if everything you do is with excellence, quality will always be the result.

## **Power**

There are two statements that I think reveal how Danny Meyer views power. The first can be seen from the sub-title of his book, “Setting the Table: The Transforming Power of Hospitality. He does not use his restaurant business to gain power for himself but rather to empower others. He has learned to put hospitality to work, first for his employees, and then for all the other people and stakeholders affected by his business. In the introduction of his book he ends with the following statement.

“In the end, what’s most meaningful is creating positive, uplifting outcomes for human experiences and human relationships. Business, like life, is all about how you make people feel. It’s that simple, and it’s that hard.”<sup>22</sup>

As mentioned earlier, he feels that power is to be shared. Managers have a power over employees that creates a distinct imbalance in their relationship, and that power needs to be consistently and fairly imposed for the good of the business. But team members are entitled to hold the managers to even higher standards.<sup>23</sup> Power should not be used to create fear but rather to create trust in a team, together and united.<sup>24</sup>

### **Organizational Change**

Danny Meyer learned the most about organizational change when his restaurant business had grown to a point where it was now the Union Square Hospitality Group and he became the CEO of the business. Before, each restaurant was a separate entity that had its own organization, they were determinedly individual and therefore inconsistent. Dissatisfied staff members had no systematic way to air grievances beyond their own general manager or executive chef. He realized he needed to create an organization that would best serve everyone.<sup>25</sup>

For him it was a time of letting go and finding people who could do a better job than he could in different areas. He had been doing everything himself to this point but now he needed people for human resources, operations, accounting and finance, public relations and marketing, information technology, business development, and community investment.<sup>26</sup>

One of the first things he did as the CEO to provide an organizational change was to his lifetime colleague to the position of director of human resources. This was a man he felt had exceptional judgment, wisdom, and sensibility about working effectively with people. This was probably the best move he could make because it provided inputs and outlets for employees where there previously was none. It uncovered issues he had been unaware of before and opened up the dialogue from bottom to top.<sup>27</sup> People now had a voice to the top which resulted in bringing about the other changes more effectively.

Another quote from his book I think sums up how he feels about organizational change.

“Whenever you expand in business – the process is incredibly challenging, especially for leaders who first rose to the top because of their tendency to control all the details. You have to let go. You have to surround yourself with ambassadors – people who know how to accomplish goals and make decisions, while treating people the way you would. They’re comfortable expressing themselves within the boundaries of your business culture, and content with the role they play in helping a larger team achieve its greatest potential success.”<sup>28</sup>

In other words, don’t try to control it – involve everyone in order to grow and have great success.

## **Ethics**

From this paper it is easy to see that Danny Meyer is a man of high, moral ethics – he strives to do what is right for others. He isn't afraid to set aside his power and share it with others. He practices what he preaches – which is hospitality. As mentioned earlier, his family comes first, but after that it is all the others in what he calls “the virtuous cycle of hospitality”. It is the guiding principal for practically every decision they make for the business and has made the greatest contribution towards the success of the company.

It's a cycle of showing hospitality first to his employees, then guests, community, suppliers, and investors, in that order. Remember that hospitality is what is done for you. So, hospitality is shown to employees first because it is they who interact with the guests. The employees then pass that hospitality to the guests, community, and suppliers. In turn, that hospitality will breed success that will make money for the investors. The investors are satisfied which means they will invest more in the business and help it to grow. By growing the business, it in turn provides an opportunity for the employees to grow in the business. Thus the cycle of hospitality has run full circle and will continue this cycle.<sup>29</sup>

## **Conclusion: How This Affects Me**

Danny Meyer has transformed what service in a restaurant means. It's not only about providing good, quality food or providing good service. It's about providing a genuine hospitality. At the Ritz-Carlton you receive excellent service but do you really receive hospitality? If you go to Ritz-Carlton you will hear 200 times a day, “Have a nice day, sir”, “How was your day?”, etc. It all seems to be repetitive and robotic after awhile. To me, service is a monologue – one way.

Genuine hospitality is a dialogue between two or more people. You are showing genuine care for someone else and using it to build a relationship. I think we all really want to have relationships, and hospitality is the best way to bring that about. In my restaurant, or whatever position I take in the hospitality industry, it is that genuine hospitality that will build trust and relationships which in turn will mean repeat business and success for the company.

Hospitality is not just directed towards the guests but should first be directed towards my employees. As a manager, or owner, I must constantly treat my employees with respect and consideration. I must give them guidance, coaching, empowerment, and the chance to grow as individuals and within the industry. From there, that hospitality needs to spread to the guest, the community, my suppliers and vendors, and then to any investors. Basically, it's about how I will treat others – everyone I come in contact with.

I must also remember though that it is also about excellence in everything I do. The food must be great with the highest quality ingredients. The service must be excellent, provided with the utmost care and attention. However, other restaurants can also provide that same excellence, hospitality is what will distinguish one restaurant from another.

I already know I have a passion for food, wine, and restaurants. And I have a deep desire to serve others and see them be happy. I always desire to treat others as I would like to be treated. Danny Meyer takes my passions and desires, and provides the groundwork on how to apply that to my endeavors in the hospitality industry.

## Endnotes:

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<sup>2</sup> “Union Square Hospitality Group, Bio of Danny Meyer, CEO”  
[http://www.usghnyc.com/\\_pdf/meyer\\_bio.pdf](http://www.usghnyc.com/_pdf/meyer_bio.pdf)

<sup>3</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 25

<sup>4</sup> “Union Square Hospitality Group, Bio of Danny Meyer, CEO”  
[http://www.usghnyc.com/\\_pdf/meyer\\_bio.pdf](http://www.usghnyc.com/_pdf/meyer_bio.pdf)

<sup>5</sup> “Definition of Entrepreneur”,  
<http://education.yahoo.com/reference/dictionary/entry/entrepreneur>

<sup>6</sup> Chris Shott, “Danny Meyer, Culinary Closer”, April 13, 2009,  
<http://www.observer.com/2009/real-estate/danny-meyer-culinary-closer>

<sup>7</sup> Ibid.

<sup>8</sup> “Union Square Café Awards”, <http://www.unionsquarecafe.com/docs/USCAwards.pdf>

<sup>9</sup> Chris Shott, “Danny Meyer, Culinary Closer”, April 13, 2009,  
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<sup>10</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 98-99

<sup>11</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 11

<sup>12</sup> Rome Neal, “More than Just Food”, January 26, 2003,  
<http://www.cbsnews.com/stories/2003/03/03/sunday/main542606.shtml>

<sup>13</sup> Ibid.

<sup>14</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 11

<sup>15</sup> Danny Meyer, “How to Be an Effective Leader”, October 1, 2006,  
<http://www.inc.com/magazine/20061001/column-guest.html>

<sup>16</sup> Ibid.

<sup>17</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 78-79

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<sup>18</sup> Danny Meyer, “How to Be an Effective Leader”, October 1, 2006,  
<http://www.inc.com/magazine/20061001/column-guest.html>

<sup>19</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 143

<sup>20</sup> Danyelle Freeman, “Q & A with Danny Meyer”, August 19, 2009,  
[http://www.restaurantgirl.com/chef\\_qarecipes/q\\_a\\_with\\_danny\\_meyer.html](http://www.restaurantgirl.com/chef_qarecipes/q_a_with_danny_meyer.html)

<sup>21</sup> Ibid.

<sup>22</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 3

<sup>23</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 218

<sup>24</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 213

<sup>25</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 203-204

<sup>26</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 202-203

<sup>27</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 204

<sup>28</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 293

<sup>29</sup> Danny Meyer, *Setting the Table – The Transforming Power of Hospitality in Business* (New York, HarperCollins Publishers, 2006), 237-270